

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-024-10045R

Parcel No. 1311412009

Bonnie Winey,

Appellant,

vs.

Crawford County Board of Review,

Appellee.

Introduction

The appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on December 3, 2019. Bonnie Winey was self-represented. Crawford County Assessor Duane Zenk represented the Board of Review.

Winey owns a residential property located at 303 15th Street S, Denison, Iowa. Its January 1, 2019, assessment was set at \$90,830, allocated as \$7,620 to land value and \$83,210 to dwelling value. (Ex. A).

Winey filed a petition with the Board of Review writing in the area reserved for an error claim under Iowa Code § 441.37(1)(a)(4). Winey offered additional comments on an attachment to her petition, which assert that her property is assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(2). (Ex. C).

Winey then appealed to PAAB reasserting her claim of over assessment. § 441.37(1)(a)(2).

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may

consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story manufactured home built in 1993 and moved onto the subject site in 2015. The home has 1848 square feet of gross living area and two decks. There is no basement but the improvements are affixed to a cement block foundation with a 5 foot 4 inch crawl space. The dwelling is listed in normal condition with a 5+05 Grade (below-average quality). (Exs. A & G).

Winey submitted the title of her property identifying it as a manufactured home. (Ex. 1). This is not contested and the record is clear the subject is identified as a manufactured home.

Winey does not believe her property, as a manufactured home, should be compared to “stick-built” homes with garages or basements. Winey testified she paid \$25,000 for the dwelling prior to moving it to its current location. She testified she was unaware the lot they moved the home to did not have utilities. Winey estimated she spent about \$50,000 for the foundation and to run utilities to the site. She also testified the \$50,000 included the cost of the lot. We note the property record card indicates Winey purchased the vacant lot in May 2015 for \$8,000. (Ex. A). The record includes a building permit for the foundation of the home, indicating a cost of \$52,500. (Ex. G).

Winey relied on the National Automobile Dealers Association (NADA) to conclude a value for her dwelling when she purchased it in 2015 and its value as of

June 2019. (Exs. 2 & 3). Because this appeal concerns the January 1, 2019, assessed value of her property, we decline to consider the value indication she submitted regarding the 2015 purchase of the improvement and turn to the relevant evidence of a 2019 indication of value.

The 2019 NADA report indicates a base value of \$27,115.20. (Ex. 3). The exhibit is not entirely clear what is included in the base value. After adjustment for location, condition, and the inclusion of additional features the total value of the subject's manufactured improvements is \$41,650.93. Notably, it states, "this value indication of this value report represents the depreciated replacement cost of the home and added features in retail dollars and does not include adjustments for land, community "in place location value", or local market comparable sales." We note this conclusion does not appear to include the subject site or the concrete block foundation.

Zenk testified for the Board of Review. He provided a background of the subject improvements, noting it had originally been set in 1993 on a rural property owned by Winey. At that time, the improvements were titled to Ronald Hoffman, which Zenk believes is Winey's son-in-law. In 2015, the structure was moved to its current location and set on a new crawl space foundation.

The Board of Review submitted sales, which are summarized in the following table. (Ex. D).

Comparable	Sale Date	Sale Price	Effective Age	Gross Living Area (SF)	Basement	Garage	Adjusted Value
Subject			26	1848	No	No	
1 - 1308 Bohnker Hill Rd	Nov-17	\$74,000	39	960	No	1 Att	\$92,177
2 - 1502 Northwood Dr	Apr-17	\$70,000	39	1008	No	1 Att	\$83,735
3 - 1522 Main St S	Oct-17	\$69,000	43	1020	No	1 Att	\$70,355
4 - 1307 Bohnker Hill Rd	Feb-17	\$80,000	39	960	Yes	1 Att	\$90,995
5 - 16 26th St N	Jul-18	\$92,000	58	1300	No	1+ Att	\$86,402

Zenk testified the Assessor's Office CAMA software system identified the comparable properties based on a set of parameters. Other than searching for sales in the same neighborhood and map area, Zenk did not identify the search parameters.

All of the properties are one-story homes like the subject but are all older stick-built homes. Sale 4 has an unfinished basement. Winey was critical of these sales because they are all stick-built homes with garages. Zenk explained there have not been any recent sales of manufactured homes. Moreover, he believes the 5+05 grade of the subject property adequately takes into consideration the subject being a manufactured home compared to stick-built homes.

Zenk testified no sales of manufactured homes were found. In his opinion, these homes are the most similar sales available for comparison. He acknowledged all of the sales are smaller than the subject property. After adjusting the sales for differences they indicate a range of value of roughly \$70,000 to \$92,000, and the subject's assessment is within this range.

The Board of Review also submitted five comparables it believes show the subject property is equitably assessed. (Ex. E). None of the five properties have sold and therefore could not be considered for an over assessment claim. Winey does not have an equity claim and therefore we do not find the evidence relevant and forgo consideration of it.

Lastly, the Board of Review submitted an assessed-value-to-sales-price ratio analysis of the 2018 sales in the county and within Denison. (Ex. F). Focusing on the Denison properties, Zenk noted the median is 99.56. A ratio less than 1.00 suggests properties are generally assessed for less than their market value. We note the range of the ratios is from 74.52 to 352.50. With no other information about the data set, we decline to rely solely on the median as a reliable statistical indicator.

Zenk testified the subject property was inspected in November 2019. Based on this inspection, the condition rating was confirmed to be normal. The only difference noted during the inspection was the subject has a built-in dishwasher which is not currently listed on the assessment.

Winey's dwelling was assigned a base value (cost) of \$136,500 in the assessment. (Ex. A, p. 3). A \$23,330 reduction was made to the base value recognizing the improvements lack a basement. Both the base value and the basement reduction cost was obtained directly from the IOWA REAL PROPERTY APPRAISAL MANUAL (MANUAL)

p. 7-52.¹ The assessed value of the dwelling is further reduced because of the 5+05 grade, physical depreciation, and map factor adjustment resulting in a depreciated cost of the dwelling improvement only of \$83,210. Testimony from Zenk indicated the 5+05 was determined, in part, to adequately account for the quality of the subject's improvements. If the subject property were valued as a mobile home, it would be likely the grade would increase to a 4+00, as contemplated by the MANUAL, p. 7-31.

Winey later testified a neighboring two-story home with a basement sold for \$60,000. Zenk looked the property up and confirmed its address of 1427 3rd Avenue S, and that it last sold in March 2019 for \$60,000. Zenk reported it was built in 1926 with 1218 square feet of gross living area. No other information was submitted by Winey about this property and it was not adjusted for differences between it and the subject to arrive at a conclusion of market value as of January 1, 2019.

Lastly, Winey also believes her corner lot is small and decreases the value of her property. Zenk testified although it is a smaller corner lot, it was a nice, flat lot in a nice location. Winey commented she does like her location but was frustrated by a commercial property adjoining her alley and semi-trucks use a portion of her lot as a turn-around. Zenk was sympathetic with Winey's concern about the neighboring land owners infringing on her site and directed her to seek assistance from the City for any possible remediation to this issue.

Analysis & Conclusions of Law

Winey contends her property is assessed for more than the value authorized by law. Iowa Code section 441.37(1)(a)(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

¹ Iowa Code section 441.21(1)(h) directs assessors to utilize the IOWA REAL PROPERTY APPRAISAL MANUAL when completing assessments. The MANUAL can be found at <https://tax.iowa.gov/iowa-real-property-appraisal-manual>.

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* The sales comparison method is the preferred method for valuing property under Iowa law. *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779; *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W.2d 594, 597 (Iowa 1990).

The first step in this process is determining if comparable sales exist. *Soifer*, 759 N.W. 2d at 783. "Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the trial court." *Id.* at 782 (citing *Bartlett & Co. Grain Co. v. Bd. of Review of Sioux City*, 253 N.W.2d 86,88 (Iowa 1977)).

The subject was valued as a one-story home using the MANUAL. The Board of Review noted it was assigned a lower quality grade (5+05), which it believes adequately takes into consideration the subject's manufactured design. The Assessor's Office may wish to review the assessment for this property to determine if there is any benefit to valuing the property as a manufactured home despite the likely increase in its grade.

Ultimately, however, the current total assessment of \$90,830 is consistent with the evidence of the property's value in the record. Winey testified her land purchase and site improvements cost approximately \$50,000. Additionally, the NADA guide report Winey provided estimates the dwelling's value at \$41,650. Based on this information, it does not appear the subject's total assessment is excessive. *White v. Bd. of Review of Polk Cnty.*, 244 N.W.2d 765, 769 (Iowa 1976) (suggesting the focus should be on the whole or total assessment, as opposed to certain elements of the assessment) (citing *Deere Mfg. Co. v. Zeiner*, 78 N.W.2d 527, 531 (Iowa 1956)).

Winey did not provide any comparable sales, an appraisal, or a Comparable Market Analysis, which is typical evidence to support a claim of over assessment. Therefore, Winey has failed to support a claim that the property is assessed for more than the value authorized by law.

Order

PAAB HEREBY AFFIRMS the Crawford County Board of Review's action.

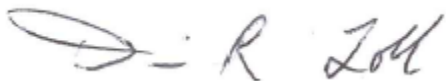
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Karen Oberman, Board Member



Dennis Loll, Board Member



Elizabeth Goodman, Board Member

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Crawford County Board of Review by eFile